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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 001955

SENSITIVE
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TAGS: [PREL](#) [PGOV](#) [IS](#)
SUBJECT: LIKUD RIGHT WING FLEXES ITS MUSCLES

Classified By: Deputy Chief of Mission Luis G. Moreno for reasons 1.4 (b),(d).

¶1. (C) Summary. Israeli media reports claiming that Prime Minister Netanyahu's has agreed to a temporary freeze on settlement construction in the West Bank has mobilized opposition within elements of the Likud party. A small but vocal group of junior Knesset Members (MKs) announced plans for a meeting next week to counter moves toward a settlement freeze, and two mid-level Cabinet members have agreed to attend. Opponents of a settlement freeze also plan to work through the Likud party's governing bodies to prevent a halt to construction. Netanyahu attempted to preempt opposition to a temporary freeze by apparently authorizing a background briefing to reporters in which his office said hundreds of new housing units would be approved before a freeze took effect. Notably for Netanyahu, probably the most influential Likud members of the Cabinet -- Minister Benny Begin and Vice Prime Minister and Minister of Strategic Affairs Moshe "Bogie" Ya'alon -- have not sided with the Prime Minister's opponents, and the fact that the government has passed a two year budget removes a vehicle that disaffected Likud MKs could use to pressure the PM. Netanyahu also has received some support in the party for his moves, and he can rely on some procedural advantages to limit opportunities for dissent. End Summary.

NETANYAHU'S RIGHT FLANK STIRRING TROUBLE

¶2. (C) Netanyahu continues to face some opposition from within his Likud Party with regard to reports of his response to U.S. demands for a settlement freeze. While it is too soon to call it a "rebellion", a group of approximately a half-dozen mostly newly-elected and junior MKs object to Netanyahu's support for a two-state solution (with caveats) and his reported willingness to impose a temporary freeze on settlement building. The most recent flare-up of opposition followed media accounts on September 3 that Netanyahu had agreed to a temporary freeze. Right wing Likud MKs led by firebrands Danny Danon and Tzipi Hotovely quickly announced plans for a meeting next week during which they will discuss ways to oppose a halt to settlement construction. Minister of Information and the Diaspora Yuli Edelstein and Minister of Communications Moshe Kahlon are the most senior members of the party who said they would attend, though Edelstein emphasized that his participation would be in support of settlement construction rather than to oppose Netanyahu.

¶3. (SBU) Regional Development Minister Silvan Shalom said he would not attend, but that he would host his own event next week at which he is expected to detail his opposition to a settlement freeze, which Shalom has said publicly should not be offered in advance of negotiations. Settlement freeze opponents, meantime, have begun petitioning Likud Central Committee (LCC) members to convene to discuss the construction halt. Netanyahu has effective control of the LCC, but settler interests are well represented there and

Netanyahu would prefer to avoid such a public battle.

TWO KEY FIGURES STAYING OUT OF THE FRAY THUS FAR

13. (C) Netanyahu appears to maintain the support of Begin and Ya'alon, both of whom sit well to Netanyahu's right. Part of their willingness to tolerate at least a temporary freeze probably stems from an expectation that Arab states will not prove willing to expand ties with Israel, and that Palestinian refusal to engage the Netanyahu government will scuttle the peace process and settlement building can continue. Begin is perhaps the key barometer of Netanyahu's support from the right wing, as he was cheered by peace process opponents and skeptics in 1997 when he quit the Likud to protest then-Prime Minister Netanyahu's decision to redeploy troops from Hebron. Begin's importance to Netanyahu was evident prior to Netanyahu's Bar Ilan speech, in which he first announced his support for a demilitarized Palestinian state. Netanyahu worked closely with Begin to ensure that the speech would not prompt the latter's departure from government. Begin in public comments has reiterated his opposition to a Palestinian state and a settlement freeze, but has refrained from criticizing Netanyahu or openly aligning himself with the more vocal opponents of Netanyahu within the party. Ya'alon has said he would not attend next week's meeting, though he is on record opposing a settlement freeze. Ya'alon has a history as an independent thinker willing to openly oppose his superiors, so his modest reaction to reports of a temporary settlement freeze suggest the timing is not ripe for a full rebellion within Likud.

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NOT ALL IS BAD FOR NETANYAHU

14. (C) In addition to Begin and Ya'alon, most other ministers appear to be avoiding the nascent rebellion. Education Minister and number three on Likud's electoral list Gideon Sa'ar was the first to publicly rally behind the Prime Minister, calling on Likud activists to back their leader and declaring his faith that Bibi is protecting Israel's overriding political and security interests in maintaining close ties to the U.S. and avoiding international isolation. Netanyahu also tried to help his own cause by apparently authorizing his staff to inform the media that hundreds of new housing units would be approved before a freeze took effect. Going forward, Netanyahu also may be able to limit opportunities for vocal opposition to any settlement freeze, as Minister Edelstein noted that the Prime Minister does not have to bring a construction freeze to a vote in the cabinet. He also does not have to worry about MKs using the budget vote as a protest vehicle because earlier this year he ushered through a two-year budget.

15. (C) COMMENT: Netanyahu probably would find some political utility in a containable uprising from his right wing. He frequently informs his interlocutors that he represents the new consensus in Israel, and we can envision him pointing to opposition from the right as buttressing his claim to own the political center. We also would not be surprised if Netanyahu cites the actions of his Likud opponents as evidence that he cannot move far nor fast on the peace process. END COMMENT.

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